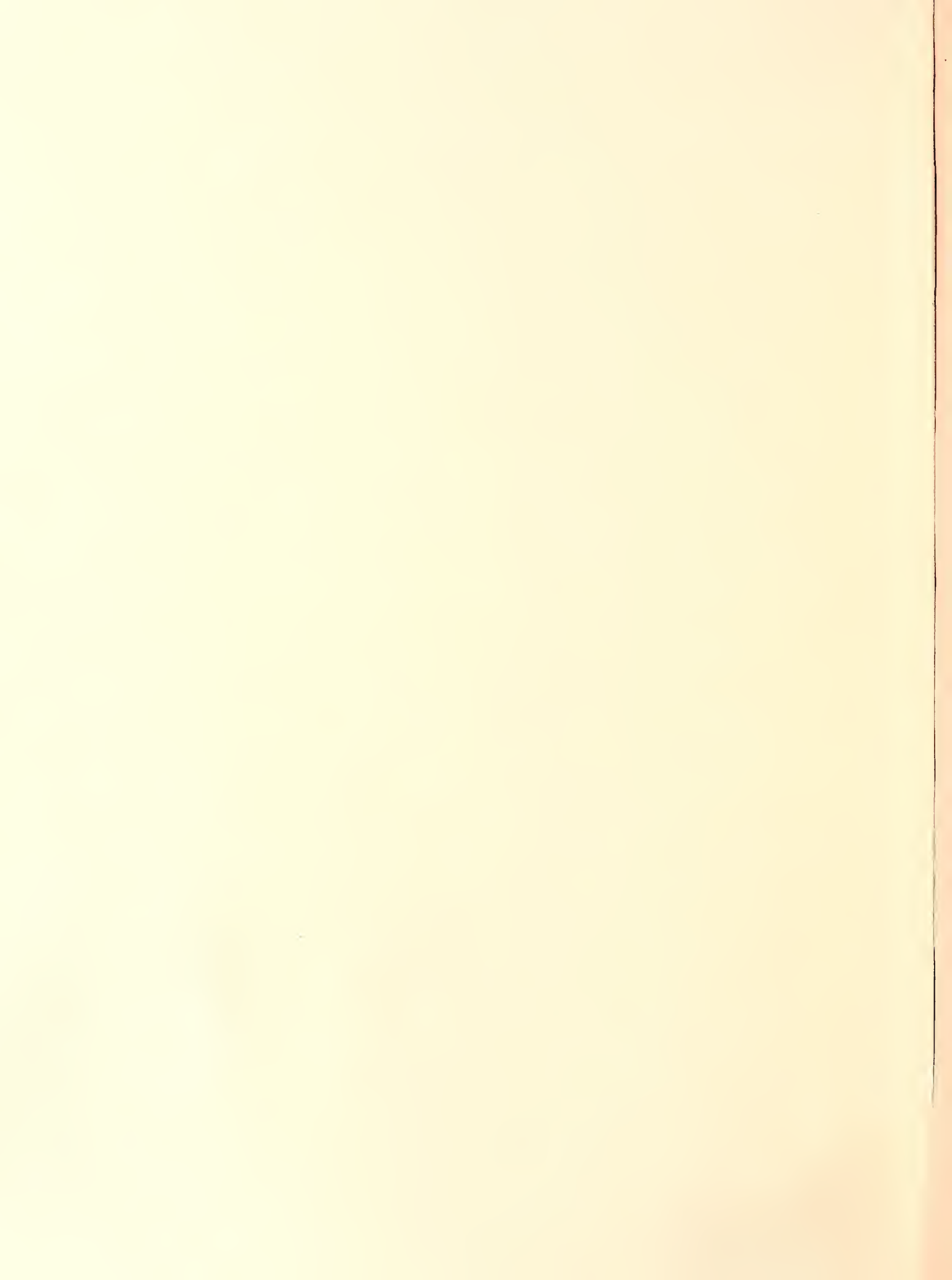


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Released Pursuant to §1090.27(j) and §~~CURRENT SERIES RECORDS~~
Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

USDA MILK PRICE ACTIONS

The Consumer and Marketing Service of USDA has announced four area-wide public hearings involving all 71 Federal milk marketing orders. They will consider the appropriate level of Class I milk prices to be established for the months of December 1966 through June 1967. The Chattanooga market will be heard with 17 other markets at Cleveland, Ohio, November 14. Other regional hearings will be at St. Louis, Denver, and Washington, D. C. The hearings were requested by cooperative associations representing dairy farmers, who said emergency action by USDA is necessary to prevent anticipated reductions in prices to farmers, which may result in shortages in supplies of fluid milk for consumers.

Secretary of Agriculture Orville Freeman has announced that the present support price of \$4.00 per cwt. for manufacturing milk will be continued for the next marketing year - April 1967 through March 1968. Since prices of milk sold for consumption as fluid milk are closely related to prices of milk used in manufacturing dairy products, this action also will help maintain prices that farmers receive for milk marketed under Federal milk marketing orders. "Dairy farming requires more advance planning than many other types of farming. I am announcing the dairy support level for 1967-68 at this time in order that dairy farmers can plan their future dairy herd management with greater confidence as to next year's prices and to provide greater assurance of adequate supplies of milk and dairy products for consumers," Secretary Freeman said.

MARKET SUMMARY OCTOBER 1966

The Order MINIMUM producer uniform price is \$5.65 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 3.5% butterfat. The producer butterfat differential is 9.2 cents for each one-tenth of one percent above or below 3.5 percent butterfat. This is a producer uniform price increase of \$1.02 per cwt. over October 1965.

During October, 85.3% of the total producer milk was priced in Class I at \$6.01 per cwt. with a butterfat differential of 9.7 cents and 14.7% in Class II at \$3.99 per cwt. with a butterfat differential of 7.9 cents. The daily average use of Gross Class I milk decreased 6.8% compared with September 1966 and decreased 4.7% compared with October 1965.

Daily average delivery of milk from producers was 585,436 pounds in October 1966, a decrease of 32,479 pounds per day compared with September 1966 and a decrease of 62,154 pounds compared with October 1965. Percentage-wise, October deliveries decreased 5.3% compared with September 1966 and decreased 9.6% compared with October 1965. The daily average farm delivery was 1,016 pounds compared with 981 lbs. per farm for October 1965. This shows an increase of 35 pounds (4 gallons) per farm per day.

MILK SAMPLES TESTED - Producer Fresh Samples 4,772 - Handler Finished Products 201.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% Oct. '66 Over Oct. '65	Oct. 1966	Sept. 1966	Oct. 1965
Number of Plants (Pool and Non-Pool)		9	9	11
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 9.6	585,436	617,915	647,590
Other Source	- 34.1	11,646	15,151	17,666
Other Federal Orders	+332.9	44,697	36,374	10,324
Total Milk Receipts	- 5.0	641,779	669,440	675,580
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	- 8.8	371,407	395,060	407,218
Fluid Skim	+ 63.7	37,669	38,052	23,010
Buttermilk	- 4.8	40,339	41,611	42,395
Flavored Milk and Drink	- 0.3	13,925	14,807	13,965
Fluid Cream (Sweet and Sour)	+ 2.3	2,787	2,837	2,725
Other (Shrinkage, Inventory, etc.)		958	5,608	234
Transfers to Non-Pool Plants		67,384	75,747	71,190
Total Class I Milk	- 4.7	534,469	573,722	560,737
Class II Uses:				
Ice Cream Mixes		31,276	38,213	35,731
Cottage Cheese		28,639	30,731	17,178
Powdered and Condensed Milk		5,760	4,899	32,363
Livestock Feed and Skim Dumped		5,289	5,461	5,238
Shrinkage Class II		10,568	9,898	8,942
Other (Butter, Inventory, etc.)		11,181	(13,436)	5,899
Transfers to Non-Pool Plants		14,597	19,952	9,492
Total Class II Milk	- 6.6	107,310	95,718	114,843
Class I Pounds in Marketing Area	- 2.5	297,776	318,453	305,540
Class I Pounds outside Marketing Area	- 7.3	236,693	255,269	255,197
Gross Class I Butterfat Pounds	- 5.4	19,386	20,465	20,492
Gross Class II Butterfat Pounds	+ 0.1	6,814	5,504	6,808
Total Butterfat Pounds	- 4.0	26,200	25,969	27,300
% Producer Milk of Gross Class I		109.5	107.7	115.5
% Producer Milk Priced in Class I		85.3	88.8	85.4

NOVEMBER 1966 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Nov. '66	Oct. '66	Nov. '65
Per \$ 1090.51(a)			
Basic Formula	\$4.26	\$4.34	\$3.34
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.08	(0.08)	0.00
Class I Price, 3.5% Butterfat	\$6.09	\$6.01	\$5.09
Supply-Demand Comparison: 1st and 2nd preceding months: September and October			
Supply: Lbs. Producer Milk (Sept. 18,537,451 and Oct. 18,148,522)			36,685,973
Demand: Lbs. Net Class I Milk (Sept. 17,071,392 and Oct. 16,425,110)			33,496,502
Utilization Percentage: Producer Milk divided by Class I			110
Standard Utilization Percentage: Range 114-118			114
Net Deviation Percentage: Utilization minus Standard Utilization			minus 4
Supply-Demand Adjustment: 2 cents x 4 percentage points			plus \$0.08

Since the supply in relation to the demand is less than the desired standard, the price is increased 8 cents per hundredweight (2 cents x 4 percentage points).

COMPUTATION OF PRODUCER UNIFORM PRICE

OCTOBER 1966	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		16,568,562	3.627		
Less Other Source		1,096,576	3.292		
Producer Milk Class I	85.3	15,471,986	3.650811	\$6.156287	\$ 952,499.86
Gross Class II		3,326,602	6.350		
Less Other Source		650,066	3.388		
Producer Milk Class II	14.7	2,676,536	7.069511	6.809914	182,269.80
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,148,522	4.155000		\$1,134,769.66
Less Fractional Adjustment					.04
Add Value of Overage					8.83
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		81,416			3,714.01
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,990.53
TOTAL VALUE AT TEST		18,229,938	4.145406	6.289012	\$1,146,482.99
Less Test over 3.5% @ 9.2¢ per point		18,229,938	.645406	0.593774	108,244.63
TOTAL UTILIZATION VALUE AT 3.5%		18,229,938	3.5	5.695238	1,038,238.36
Less Producer-Settlement Fund Reserve		18,229,938		.045238	8,246.86
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		18,229,938	3.5	\$5.65	\$1,029,991.50

OCTOBER 1966 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 9.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$5.19	3.6	\$5.742	4.2	\$6.294	4.8	\$6.846	5.4	\$7.398
3.05	5.236	3.65	5.788	4.25	6.34	4.85	6.892	5.45	7.444
3.1	5.282	3.7	5.834	4.3	6.386	4.9	6.938	5.5	7.49
3.15	5.328	3.75	5.88	4.35	6.432	4.95	6.984	5.55	7.536
3.2	5.374	3.8	5.926	4.4	6.478	5.0	7.03	5.6	7.582
3.25	5.42	3.85	5.972	4.45	6.524	5.05	7.076	5.65	7.628
3.3	5.466	3.9	6.018	4.5	6.57	5.1	7.122	5.7	7.674
3.35	5.512	3.95	6.064	4.55	6.616	5.15	7.168	5.75	7.72
3.4	5.558	4.0	6.11	4.6	6.662	5.2	7.214	5.8	7.766
3.45	5.604	4.05	6.156	4.65	6.708	5.25	7.26	5.85	7.812
3.5	5.65	4.1	6.202	4.7	6.754	5.3	7.306	5.9	7.858
3.55	5.696	4.15	6.248	4.75	6.80	5.35	7.352	5.95	7.904

OCTOBER 1966 TOTAL CLASS I UNIT SALES BY 7 POOL AND 2 NON-POOL PLANTS ^{1/}

	GALLONS	$\frac{1}{2}$ GALS.	QUARTS	PINTS	$\frac{1}{2}$ PINTS	PRODUCT LBS.	%-TOTAL
Homo Milk	614,351 ^{3/}	817,384	234,877	566,159	2,980,153	11,513,610	79.68
Special Skim	66,738	24,255				679,820	4.71
Regular Skim		88,308	45,437		16,390	487,919	3.38
Buttermilk	To $\frac{1}{2}$ Gal. ^{2/}	207,531	135,980	40,431	33,389	1,250,498	8.65
Flavored Milk	To $\frac{1}{2}$ Gal. ^{2/}	5,788	48,869	213,339	174,922	431,682	2.99
Half & Half ^{4/}			6,863	34,148	To Pints ^{2/}	51,117	0.35
Coffee Cream ^{4/}							
Whip Cream	To Qts. ^{2/}		1,821		18,949	13,719	0.09
Sour Cream	547 ^{5/}				32,001	21,563	0.15
				Total Pounds		14,449,928	100.00

^{1/} Includes all unit sales by pool plants and "In Area sales by non-pool plants.^{2/} Restricted - distributed by less than three handlers.^{3/} Includes gallon and multi-gallon containers.^{4/} Coffee cream restricted - included with half and half.^{5/} Converted from five pound containers.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Oct. '65	\$4.63	-	-	7.8¢	\$4.88	8.1¢	\$3.33	7.2¢
Nov.	4.85	-	-	8.0	5.09	8.2	3.35	7.3
Dec.	4.73	-	-	8.0	5.14	8.2	3.36	7.3
Jan. '66	4.82	-	-	7.8	5.22	8.2	3.22	6.8
Feb.	4.87	-	-	7.6	5.18	7.7	3.01	7.1
Mar.	4.89 ^{2/}	\$5.00	\$3.04	7.8	5.33	8.0	3.08	7.3
Apr.	4.85 ^{2/}	5.06	3.00	7.8	5.45	8.2	3.04	7.2
May	4.79 ^{2/}	4.97	3.02	8.0	5.45	8.2	3.06	7.3
June	4.87 ^{2/}	5.01	3.08	8.0	5.45	8.3	3.12	7.6
July	5.28 ^{2/}	5.44	3.24	8.4	5.767 ^{4/}	8.6	3.28	8.2
Aug.	5.27	-	-	9.0	5.84	9.3	3.49	8.4
Sept.	5.66	-	-	9.4	5.87	9.5	4.25	8.6
Oct.	5.65	-	-	9.2	6.01	9.7	3.99	7.9
Nov.	-	-	-	-	6.09	8.9	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%			PRICE QUOTATIONS			Basic Formula \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powder ¢ Lb.	Minn/Wisc. Mfg. Milk \$-cwt-3.5%	
Oct. '65	2.75	3.33	3.106	62.89	14.31	3.34	3.34
Nov.	2.83	3.35	3.194	63.27	14.42	3.39	3.39
Dec.	2.90	3.36	3.269	63.45	14.31	3.47	3.47
Jan. '66	3.01	3.22	3.350	59.33	14.54	3.47	3.47
Feb.	3.01	3.32	3.363	61.80	14.59	3.58	3.58
Mar.	3.08	3.39	3.450	63.40	14.81	3.68	3.68
Apr.	3.04	3.48	3.400	62.80	16.02	3.64	3.64
May	3.06	3.55	3.425	63.54	16.70	3.65	3.65
June	3.12	3.65	3.500	65.99	16.81	3.82	4.00 5/
July	3.28	4.02	3.688	71.19	18.83	4.05	4.05
Aug.	3.49	4.17	3.913	73.05	19.63	4.26	4.26
Sept.	3.55	4.25	3.981	74.88	19.73	4.34	4.34
Oct.	3.57	3.99	3.969	68.80	19.64	4.26	4.26

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA 3/				Deliveries Per			Prod. Milk Test
	No. Hdlrs.	Total Receipt	Class I Use	Class I Use	Total Delivery	Base Delivery	No. Prod.	Farm----Pounds			
								Prod.	Base	Exc.	
Oct. '65	11	675,580	560,737	553,074	647,590	-	660	981	-	-	4.14
Nov.	11	661,614	566,311	561,329	637,439	-	667	956	-	-	4.20
Dec.	11	660,074	506,784	501,638	635,260	-	666	954	-	-	4.23
Jan. '66	11	662,874	531,241	526,225	634,748	-	664	956	-	-	4.20
Feb.	11	648,797	546,032	534,700	616,699	-	663	930	-	-	4.22
Mar.	11	671,086	526,847	517,608	637,348	600,154	660	966	909	57	4.06
Apr.	11	726,873	528,830	522,390	686,157	617,814	653	1,051	946	105	3.93
May	11	709,820	498,267	492,037	669,259	606,628	646	1,036	939	97	3.95
June	11	664,459	492,255	477,148	624,721	579,064	642	973	902	71	3.90
July	9	606,531	461,978	450,482	558,984	520,301	601	930	866	64	3.89
Aug.	9	627,073	467,668	460,875	602,478	-	602	1,001	-	-	3.87
Sept.	9	669,440	573,722	549,013	617,915	-	591	1,046	-	-	3.95
Oct.	9	641,779	534,469	499,096	585,436	-	576	1,016	-	-	4.15

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is receipts minus Class I^{4/} Weighted Average - July 1-4 Price \$5.61 and July 5-31 Price \$5.79^{5/} July 1-4, Basic Formula was Minn/Wisc. Price \$3.82